

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7197
COMPANY NAME : GE-SHEN CORPORATION BERHAD
FINANCIAL YEAR : December 31, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is responsible for the overall performance of the Company and its subsidiaries ("Group") and oversees the Group's goals, strategic directions, achievements, standards of conduct and policies. The Board is guided by the prevailing legal and regulatory requirements such as the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Malaysian Code on Corporate Governance, as well as the Company's Constitution and the Board Charter in discharging its fiduciary duties and responsibilities. The Board had ensured that it had set the appropriate tone at the top, providing thought leadership and championing good governance and ethical practices throughout the Company.</p> <p>The Board collectively and individually exercise its fiduciary duties and practices reasonable care, skill and diligence when exercising its duties.</p> <p>The Board's principal focus is to:-</p> <ul style="list-style-type: none">o review and adopt an overall strategic plan of the Company;o overseeing that the Company is being properly managed and ensure sufficient policies and procedures are in place;o oversee performance of the Company;o ensure that principal risks are identified, and appropriate mitigation deployed via risk management and internal control procedures;o monitor succession planning and human capital development to ensure continuity;o oversee an effective communications policy;o review the adequacy and integrity of the Company's internal controls; <p>and</p> <ul style="list-style-type: none">o ensure that the Company has appropriate corporate governance structures and has a culture of corporate responsibility and promotes sustainability within the aspects of environment, social and governance.

	<p>Save for Mr. Ian Chan Tze Liang who was appointed on 24 February 2022 as the Alternate Director to Mr. Chan Choong Kong, the Managing Director of the Company, all Directors of the Company had attended at least one (1) training programme to update and enhance their knowledge to enable them to discharge their duties more effectively as Directors and to keep abreast of the development in the marketplace during the financial year ended 31 December 2021 (“FYE 2021”). The list of training attended by all the Directors are available in the Corporate Governance Overview Statement as set out in the Annual Report.</p> <p>The Company has conducted induction programme for newly appointed Directors. The induction programme aims at communicating to the newly appointed Directors, the Company’s vision and mission, its philosophy and nature of business, current issues within the Company, corporate strategy, and expectations of the Company concerning input from Directors. The induction program is conducted by the Chairman together with the Executive Directors.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman, Mr. Chew Hoy Ping's primary roles are to lead the Board and preside over meetings of Directors, as well as to ensure the smooth functioning of the Board in the interest of good governance. The Chairman shall be responsible for:</p> <ul style="list-style-type: none">i. Leadership of the Board and ensuring accurate, timely and clear information is provided to all the Directors;ii. Overseeing the effective discharge of the Board's key responsibilities, while encouraging active participation and promoting a culture of openness and constructive debate amongst Board members and between the Board and the Senior Management; andiii. Acting as a spokesperson for the Board and representing the Company at shareholders' meetings and on other occasions when actions are taken or statements are made in the name of the Company.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of Chairman and Managing Director are held by Mr. Chew Hoy Ping and Mr. Chan Choong Kong respectively. The roles and responsibilities of the Chairman and Managing Director are distinct and clearly defined as both positions are held by separate individuals to promote accountability and to ensure a balance of power and authority.</p> <p>The Chairman is responsible for the orderly conduct and working of the Board whilst the Managing Director is responsible for overseeing the management of the Group's business operations and implementation of Board decisions.</p> <p>The details of the roles and responsibilities of the Chairman and the Managing Director are clearly defined in the Group's Board Charter which is published on the Company's website at www.gscorp.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: <p>During FYE 2021, the Chairman of the Board, Mr. Chew Hoy Ping, is also a member of Audit and Risk Management Committee and Chairman of the Nomination and Remuneration Committee ("NRC").</p> <p>The Board is fully aware of having the same person assuming the positions of Chairman of the Board and NRC would give rise to the risk of self-review and may impair the objectivity of the Chairman and the Board when deliberating on the observations and recommendations put forth by the NRC. As such, the Chairman of the Board, Mr. Chew Hoy Ping has ceased to be the chairman and member of the NRC on 24 February 2022. He was succeeded by Puan Noor Aieda binti Ahmad who had on 24 February 2022 appointed as the Chairperson and member of NRC. During Mr. Chew Hoy Ping's tenure as the Chairman of the NRC, he has observed a high level of governance and abstained from all deliberations and voting for matters he has an interest in, to ensure that there is a proper check and balance as well as objective review by the Board.</p> <p>The Board is cognisant of the recommendation of the Malaysian Code on Corporate Governance for the Chairman of the Board shall not sit in the Audit, Nomination and Remuneration Committees.</p> <p>Taking into consideration of the size of the Company, the Board is of the view that independence can still be exercised effectively without any compromise on the objectivity of the Chairman of the Audit and Risk Management Committee ("ARMC"), Mr. Tee Boon Hin and the Board.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	: Please explain the measure(s) the company has taken or intend to take to adopt the practice.

Timeframe	:	Choose an item.	
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Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>In FYE 2021, the Company is supported by two (2) suitably qualified and competent Company Secretaries, namely Ms. Chua Siew Chuan and Ms. Yau Jye Yee.</p> <p>Both Company Secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”) and qualified Chartered Secretaries under Section 235(2) of the Companies Act 2016. In FYE 2021, the Company Secretaries had attended relevant continuous professional development programmes as required by MAICSA for practising company secretaries.</p> <p>The Company Secretaries advise the Board on issues relating to the Company's Constitution, Board policies and procedures, new statutory and regulatory requirements, codes or guidance and legislations. The Company Secretaries ensure that all Board meetings are properly convened and that proper and accurate records of proceedings, deliberations are minuted and resolutions passed are documented and statutory registers are properly maintained at the registered office of the Company.</p> <p>The Company Secretaries also update the Board on changes in the regulatory requirements and advise the Board on its roles and responsibilities and on corporate disclosures and compliance with Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad and other pertinent regulations governing the Company.</p> <p>The Company Secretaries help to enhance the skills of the Directors by continuously encouraging the Directors to attend training and education programmes. This can also contribute to the Directors' active participation in Board deliberations. They are also responsible for ensuring the Group's compliance with the relevant statutory and regulatory requirements.</p> <p>Every Director has independent and unrestricted access to the advice and the services of the Company Secretaries.</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>During FYE 2021, the Notices of the Board/ Board Committee meetings are served to the Directors at least seven (7) days prior to the Board/ Board Committee meetings, unless there was exceptional case.</p> <p>The agenda of each meeting of the Board/Board Committee was fixed by the Chairperson of the Board and respective Board Committees.</p> <p>All meeting materials are circulated in advance via email in a timely manner prior to the dates of meetings. This is to ensure that the Directors have sufficient time and information to review, consider and deliberate on matters so that meaningful deliberation and sound decisions could be made at Board meetings.</p> <p>The minutes of the Meeting of Board and Board Committees were drafted by the Company Secretaries. All members of the Board or Board Committee reviewed and confirmed the minutes of meetings to ensure they accurately reflect the deliberations and decisions of the Board, including whether any Director abstained from voting or deliberation on a particular matter. The confirmed minutes were kept by the Company Secretaries at the registered office.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has a Board Charter which clearly defines the roles and responsibilities of the Board of Directors, Chairman, Managing Director and Board committees to ensure that all Board members are aware of their duties and responsibilities. The Board reviews the Board Charter periodically and make necessary amendments, consistent with the Board's objectives, practices and legislations. The Board Charter is available on the Company's website at www.gscorp.com.my.</p> <p>The Corporate & Financial Policies & Procedures and Group Limits of Authority define the issues and decisions reserved for the Board.</p> <p>All the Board Committees have their own Terms of Reference for the purpose of discharging the functions, duties and responsibilities as delegated by the Board. The Chairperson of the respective Board Committees would report to the Board on the proceedings of the Board Committee Meetings at the quarterly Board Meeting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Directors are committed to observe and comply with the standards set out in the Company Directors' Code of Ethics established by the Companies Commission of Malaysia, Code of Conduct and Ethics for Ge-Shen Group Employees and Group Financial and Corporate Policies and Procedures Manual to promote good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.</p> <p>The Code of Ethics for Directors and Code of Conduct and Ethics for Ge-Shen Group Employees are available in the Company's website at www.gscorp.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has established and adopted a Whistleblowing policy designated to provide employees with:-</p> <p>(a) proper reporting channels and guidance to disclose any wrongdoing or improper conduct relating to improper conducts, malpractices, unlawful conducts, any violation of established written policies; and</p> <p>(b) guidelines within the Group or any action that is or could be detrimental to the reputation of the Group and/or compromise the interests of all stakeholders and the public without fear of reprisal or victimisation and/or subsequent discrimination.</p> <p>The Whistleblowing policy is available on the Group's website at www.gscorp.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company recognises the importance of sustainability as a key driver for long-term business sustainable growth of the Group. As such, the Board of Directors and Management persistently reinforce embedding sustainability into its business strategies and operations to achieve goals of the Group.</p> <p>The Management manages and communicates sustainability related issues in weekly management meeting.</p> <p>The Company has adopted six (6) Sustainable Development Goals (“SDGs”) that are most relevant to our business operations. The SDGs are part of the seventeen (17) SDG’s under the United Nation’s 2030 Agenda for Sustainable Development and the seventeen (17) SDGs, otherwise known as the Global Goals to achieve a better and more sustainable future for all.</p> <p>The six (6) out of seventeen (17) SDGs that are relevant to the Company business operation are:</p> <ul style="list-style-type: none">- Good health and well-being; the Company is committed to eliminate all occupational health and safety issues through training, workshops, and drills.- Decent work and economic growth; the Company provides support, experience and training for employees and offer development opportunities so employees can grow their careers.- Reduced inequalities; the Company promotes diversity and are committed to equitable compensation practices regardless of race, sexual orientation, gender, and ethnicity.- Sustainable cities and communities; the Company pay special attention to waste management via scheduled waste collectors, ensuring waste is disposed according to environmental law.

	<ul style="list-style-type: none"> - Responsible consumption and production; the Company has a policy in place to minimise waste generation through reduction, recycling, and reuse. - Peace, justice and strong institutions; the Company has a whistleblowing policy providing reporting channels to disclose any misconduct, fraud, malpractices. 	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company’s Annual Report includes a Statement on Sustainability Reporting which discloses the Company’s sustainable development goals, stakeholder engagement, materiality assessment in economic, environment, social and governance. The Company develops relevant strategies with involvement of internal and external stakeholders and performances are evaluated for all targets set.</p> <p>The Company’s Annual Report is published on the Company’s website at www.gscorp.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is kept abreast by the Company Secretaries on the changes to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Malaysian Code on Corporate Governance, which are relevant to the Company on corporate disclosures and compliances including sustainability issues and reporting.</p> <p>The NRC and Board would assess the trainings attended by all Directors to ensure that the Directors are continuously kept abreast of sustainability issues and climate-related risks and opportunities.</p> <p>The details training attended by the Board is available on page 49 of the Annual Report 2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	The Board includes sustainability agenda in the performance of its duties. The Board's annual performance evaluation for the FYE 2021 took into consideration the performance of the Board in addressing the Company's material sustainability risks and opportunities and also the conduct of the Board to stay abreast with the on-going development and understanding of the sustainability issues relevant to the Company and its business. This also applies to the Management team, where sustainability key performance indicators are included in their performance and remuneration.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>In respect of the FYE 2021, the Board has through the NRC conducted the following annual assessments to evaluate the performance of the Board, Board Committees and individual Directors:-</p> <ol style="list-style-type: none">1) Evaluation on the effectiveness of the Board as a whole and Board Committees;2) Size and composition of the Board and Board Committees;3) Evaluation on each individual Director;4) Review of length of service of Independent Directors and their independence; and5) Review the terms of office and performance of the ARMC and each of its members. <p>The Terms of Reference for NRC spelt out the Duties and Responsibilities which include evaluation of the Director's performance and contribution to the Board.</p> <p>The NRC annual appraisal concluded that the Board has the right mix of skills, expertise and experience for effective discussion and decision making and that the performance of the Board, Board Committees and all the Directors have been satisfactory.</p> <p>In 2021, in considering the recommendation of Mr. Chew Hoy Ping and Mr. Suresh a/l Thirugnanam for re-election as Directors, the NRC had reviewed and assessed the performance and contributions of these two (2) Directors for the past year. The evaluation results were satisfactory and the NRC then recommended the re-election of the aforesaid Directors to the Board for recommendation to the shareholders for approval at the AGM held in 2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied	
Explanation on application of the practice	:	<p>As at 31 December 2021, the Board comprises six (6) members. The six (6) Board members are made up of two (2) are Executive Directors and four (4) are Independent Non-Executive Directors.</p> <p>The presence of Independent Non-Executive Directors on the Board provides independent and unbiased view to safeguard the interests of shareholders.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board sought shareholders' approval for retention of Mr. Tee Boon Hin ("Mr. Tee") who has served the Board as Independent Non-Executive Director ("INED") for a cumulative term of twelve (12) years and one (1) month (as at 28 May 2021) at the Eighteenth Annual General Meeting of the Company ("AGM") held in 2021 through a two-tier voting process.</p> <p>The NRC and Board have assessed the independence of Mr. Tee as an INED and recommended Mr. Tee to the shareholders to approve the retention of Mr. Tee as an INED. The recommendation was on the grounds that:-</p> <ul style="list-style-type: none">• Mr. Tee fulfilled the criteria under the definition of Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;• Mr. Tee was able to exercise independent judgement and act in the best interests of the Company;• There was no potential conflict of interest that Mr. Tee could have with the Company as he had not entered into any contract or transaction with the Company and/ or its subsidiaries within the scope set out under Paragraph 5 of the Practice Note 13 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad; and• Mr. Tee had not developed, established or maintained any significant personal or social relationship, whether direct or indirect, with the Managing Director and Executive Director, major shareholders or management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent with his duties and expected of him to carry out his duties as an INED. <p>The Board and the NRC are satisfied that Mr. Tee is able to exercise independent judgement and has the ability to act in the best interest of the Company.</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>The appointment of new Directors to the Board is conducted formally and transparent through assessment by the NRC.</p> <p>In evaluating the suitability of candidates, the NRC considers, inter-alia, the competency, experience, commitment (including time commitment), contribution and integrity of the candidates, including where appropriate, the criteria on assessing the independence of candidates’ appointment as INED.</p> <p>The Company is supportive of diversity in any form, whether based on age, gender, race and religion throughout the Company.</p> <p>The Company will continue to identify suitable candidates for appointment to the Board as and when vacancies arise. Such candidates will be considered based on merit and competence and what the chosen candidate can contribute to further strengthen the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>The appointment of Directors to the Board are conducted formally and transparent through assessment by the NRC based on merits, skills and experience required. In searching for suitable candidates, the NRC may receive suggestion from the existing Board members, Management, and major shareholders. The NRC is open to referrals from external source available, such as industry and professional association, as well as independent search firms.</p> <p>Prior to the appointment of a Director, the proposed appointee is required to disclose any other business interests that may result in a conflict in relation to the Group, and shall be required to report any future business interests which may develop post-appointment, that could result in a conflict of interest.</p> <p>Mr. Suresh a/l Thirugnanam (“Mr. Suresh”) and Pn. Noor Aieda binti Ahmad (“Pn. Aieda”) were appointed to the Board on 15 April 2021 and 11 August 2021 respectively.</p> <p>The appointment of Mr. Suresh was introduced by an external corporate advisor and not referral from directors, shareholders or Management, while Pn. Aieda was introduced to the NRC by the former Chairman, Tuan Sa’adon bin Samadi.</p> <p>Prior to the appointments, the NRC reviewed the profiles and assessed the skillset of both candidates. Based on their credentials, the NRC was of the view that both candidates are able to diversify the Board mix and contribute positively to the Board.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company has not included a statement in the Notes accompanying the Notice for AGM held on 28 May 2021, which was released prior to the revision to the Malaysian Code of Corporate Governance.	
		The Board had provided timely announcement to Bursa Malaysia Securities Berhad on the decision on the appointment of a new Director subject to the review and recommendation by the NRC. The profiles of Directors who are standing for re-election were set out in Annual Report 2020.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied
Explanation on application of the practice	:	<p>During the FYE 2021, the NRC was chaired by Mr. Chew Hoy Ping (“Mr. Chew”), the Chairman of the Board and Independent Non-Executive Director.</p> <p>On 24 February 2022, Mr. Chew ceased as a Chairman and member of NRC, and he was succeeded by Pn. Aieda , who is an Independent Non-Executive Director.</p> <p>The Chairperson leads the NRC in discharging its duties and responsibilities as outlined in the Terms of Reference. The main duties of the NRC, including but not limited to the following:-</p> <p>i. Assist the Board in overseeing the selection of Directors and MD, matters relating to succession planning, boardroom diversity, training courses for Directors and other requisite qualities of Directors, as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director; and</p> <p>ii. Establish a formal and transparent remuneration policy and annually review the remuneration packages of the Executive Directors.</p> <p>The Chairperson of the NRC reports to the Board on the proceedings of each of the NRC meetings.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board practices no discrimination in term of appointment of Directors as well as hiring employees wherein the Directors and Senior Management are recruited based on their merit, skills and experiences and not driven by age, cultural background and gender.</p> <p>With the appointment of Puan Noor Aieda binti Ahmad during the financial year under review, the Company has one (1) woman Director on Board, which represents 16.67%. When the need arises, the Board would give more weightage on the appointment of female Directors and senior management.</p> <p>The Board is cognisant of Practice 5.9 of the Malaysian Code on Corporate Governance that the Board should comprise at least 30% women Directors and would strive to achieve the target of 30% as recommended by Malaysian Code on Corporate Governance.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company is always supportive of diversity in any form, whether based on age, gender, race or religion, throughout the Company.</p> <p>The Board practices no discrimination in terms of appointment of Directors, as well as hiring employees wherein the Directors and Senior Management are recruited based on their merit, skills and experiences and not driven by age, cultural background and gender.</p> <p>As recommended by Practice 5.10 of the Malaysian Code on Corporate Governance, the Board had on 7 April 2022, adopted a Gender Diversity Policy to formalise the existing practices on gender diversification.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>During the FYE 2021, the NRC reviewed and assessed the effectiveness of the Board, Board Committees, the contribution and performance of each individual Director and the Independence of the Independent Directors through annual evaluation. Criteria to assess the Board had been developed by the NRC to meet current and future needs of the Company.</p> <p>In respect of FYE 2021, the annual assessments were facilitated by the Company Secretaries, where the members of NRC and/or Directors are required to complete a set of evaluation forms individually, and the results were compiled by the Company Secretaries on a confidential basis. At the NRC meeting, the NRC reviewed the compiled results and discuss on the areas for improvement or actions required. Thereafter, the NRC reported the same to the Board and recommended necessary actions to be taken.</p> <p>The NRC annual appraisal concluded that the Board has the right mix of skills, expertise and experience for effective discussion and decision making and that the performance of the Board, Board Committees and all the Directors have been satisfactory.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:

Timeframe	:		
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Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has formalised the Policy on Remuneration of Directors and Senior Management.</p> <p>The Board is cognisant that such policies are premised on the need to have an adequate level of remuneration to attract and retain Directors and Senior Management personnel of high calibre and talent.</p> <p>The remuneration for Executive Directors is structured to link rewards to the Company and individual performances. The remuneration packages of Non-Executive Directors are based on experience and the responsibilities shouldered by the respective Directors.</p> <p>The Policy on Remuneration of Directors and Senior Management is available on the Company's website at www.gscorp.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established the NRC to implement, review and recommend matters relating to the remuneration of Board and Senior Management.</p> <p>As at 31 December 2021, the NRC comprises three (3) INEDs.</p> <p>The NRC will assist the Board to review the remuneration packages for the Executive Directors and Senior Management, as well as Directors' fee and benefits and thereafter, make recommendation to the Board. The procedures to determine the remuneration of Directors and Senior Management is guided by the Policy on Remuneration of Directors and Senior Management.</p> <p>The NRC's Terms of Reference is available on the Group's website at www.gscorp.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company discloses in detail, on a named basis, the remuneration of its individual Directors which includes fees, salary, emoluments and benefits.</p> <p>The details of the remuneration of Directors during the FYE 2021 as being tabulated in the table below.</p>

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Chew Hoy Ping	Independent Director	60	7.3	-	-	-	-	67.3	60	7.3	-	-	-	-	67.3
2	Tee Boon Hin	Independent Director	60	8	-	-	-	-	68	60	8	-	-	-	-	68
3	Suresh a/l Thirugnanam	Independent Director	42.7	4.3	-	-	-	-	46.9	42.7	4.3	-	-	-	-	46.9
4	Noor Aieda binti Ahmad	Independent Director	23.5	2	-	-	-	-	25.5	23.5	2	-	-	-	-	25.5
5	Sa'adon bin Samadi *Retired on 28 May 2021	Independent Director	24.6	5	-	-	-	-	29.6	24.6	5	-	-	-	-	29.6
6	Chan Choong Kong	Executive Director	-	-	240	-	-	29.7	269.7	-	-	425	35	17	61.1	538.1
7	Louis Lau Puong Kiet	Executive Director	-	-	216	-	-	26.8	242.8	-	-	338.3	81	10	54.3	483.6
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here				
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10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here				
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here				
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here				
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here				
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here				
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here				

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure										
Explanation on application of the practice	:											
Explanation for departure	:	<p>The Board has decided that the remuneration of Key Senior Management personnel is not being disclosed on a named basis in order to allay tangible concerns on invasion of staff confidentiality and that such disclosure may be detrimental to its business interest given the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the property development industry.</p> <p>As an alternative, the Company has disclosed the remuneration of its top five (5) senior management personnel in the band of RM50,000 for 2021 in the table below:</p> <table border="1"> <thead> <tr> <th>Remuneration in band of RM50,000</th> <th>Number of Senior Management</th> </tr> </thead> <tbody> <tr> <td>RM350,001 – RM400,000</td> <td>1</td> </tr> <tr> <td>RM400,001 – RM450,000</td> <td>-</td> </tr> <tr> <td>RM450,001 – RM500,000</td> <td>1</td> </tr> <tr> <td>RM500,001 – RM550,000</td> <td>3</td> </tr> </tbody> </table> <p><i>Note: The remuneration of the top (5) key senior management denotes full year remuneration including remuneration prior to the completion of the acquisition of the remaining 60% equity interest in DOSB Technology Pte. Ltd. by Demand Options Sdn. Bhd., a subsidiary of the Company in December 2021.</i></p>	Remuneration in band of RM50,000	Number of Senior Management	RM350,001 – RM400,000	1	RM400,001 – RM450,000	-	RM450,001 – RM500,000	1	RM500,001 – RM550,000	3
Remuneration in band of RM50,000	Number of Senior Management											
RM350,001 – RM400,000	1											
RM400,001 – RM450,000	-											
RM450,001 – RM500,000	1											
RM500,001 – RM550,000	3											
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>												
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.										

Timeframe	:	Choose an item.	
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No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.				
2	Input info here	Input info here	Choose an item.	Choose an item.				
3	Input info here	Input info here	Choose an item.	Choose an item.				
4	Input info here	Input info here	Choose an item.	Choose an item.				
5	Input info here	Input info here	Choose an item.	Choose an item.				

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here						
2	Input info here	Input info here						
3	Input info here	Input info here						
4	Input info here	Input info here						
5	Input info here	Input info here						

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Audit and Risk Management Committee, Mr. Tee Boon Hin is not the Chairman of the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations. The company’s financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	<p>None of the members of the Board were former key audit partners within the cooling-off period of three (3) years. Hence, there is no such person being appointed as a member of the ARMC.</p> <p>The ARMC has a policy embedded in its Terms of Reference which restricts former key audit partner of the Company’s External Auditors for appointment as a member of the ARMC, unless the said former key audit partner has observed a cooling-off period of at least three (3) years.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>The ARMC undertakes an annual assessment of the suitability and independence of the External Auditors. The Board and ARMC had considered Messrs. Crowe Malaysia PLT, the External Auditors' profile, resources, skills, knowledge, experience, fee and engagement proposal and recommended the nomination of Messrs. Crowe Malaysia PLT as External Auditors of the Company.</p> <p>In respect of FYE 2021, the ARMC had reviewed the suitability, independence and objective of External Auditors and was satisfied with Messrs. Crowe Malaysia PLT's technical competency in terms of their skills, execution of audit plan, reporting and overall performance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The ARMC comprises solely INEDs. There is a strong and independent element to provide effective oversight for it to function effectively and exercise objective judgements independently.

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of ARMC, Mr. Tee Boon Hin is an Associate of the Chartered Accountants of Australia and New Zealand, an associate member of the Governance New Zealand Incorporated, a Chartered Accountant with the Malaysian Institute of Accountants and a Fellow of the Chartered Tax Institute of Malaysia.</p> <p>The Board regards the members of the ARMC collectively possess the accounting and related financial management expertise and experience required for ARMC to discharge its responsibilities.</p> <p>Members of the ARMC attend trainings and talks to keep them updated on developments on financial standards. Updates on developments in accounting and governance standards are presented by the external auditors at ARMC meetings.</p> <p>Trainings attended by the members of the ARMC during the year can be obtained from the Annual Report 2021 in Corporate Governance Overview Statement.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has in place a formal risk management process to identify, evaluate and manage significant risks impacting the Company.</p> <p>The Management is authorised by the Board to review and determine the level of risk tolerance. The Management is also required to identify and evaluate the adequacy and implementation of processes to manage, mitigate, avoid or eliminate the risks.</p> <p>The risk management and internal control framework is disclosed in Statement on Risk Management and Internal Control in the Annual Report 2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board regards risk management as an integral part in managing the Group's business operations to achieve its business objective and adopted a Risk Management Framework to address this. The Risk Management Framework helps to identify, evaluate, monitor and manage significant risks faced by the Group throughout the financial year under review:</p> <p>(i) The key risk register is updated systematically by each business unit or subsidiary and is monitored and discussed periodically by the Risk Management Team. Significant findings are communicated to the ARMC on a periodic basis.</p> <p>(ii) The ARMC is entrusted by the Board with the task of advising the Senior Management, comprising mainly Executive Directors, on the appropriate action plans to mitigate high priority significant risks and the Senior Management provides updates to the ARMC and the Board on a periodic basis.</p> <p>(iii) The ARMC has direct responsibility over the internal audit function and directs the Group Internal Auditors to conduct test of compliance on areas of significant risks to test the adequacy and integrity of the Group's system of internal control and perform updates on agreed Management action plans where controls and/ or compliance is identified as non-satisfactory.</p> <p>The ARMC reviews the Risk Register and Risk Action Plans in order to ensure the identified risks are within the risk appetite. During the financial year under review, the Risk Registers for its subsidiaries have been continuously reviewed and updated and the Risk Registers with risk residual ratings exceeding certain thresholds were tabled to the ARMC for notation.</p> <p>The MD and Executive Director have provided assurance to the Board that the Group's risk management and internal control system has continued to operate adequately and effectively in all material aspects to meet the Group's objectives during the financial year under review.</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied	
Explanation on application of the practice	:	<p>The internal audit function was carried out by the in-house Group Internal Auditors to assist the ARMC and Board in providing independent assessment on the adequacy, efficiency and effectiveness of the Group governance, risk management and internal control processes.</p> <p>The Group Internal Audit department reports directly to the ARMC on its activities based on the approved Annual Internal Audit Plan and adopts a risk-based approach towards the planning and conduct of audits, consistent with the Group’s framework in designing, implementing and monitoring its internal control system. An Internal Audit Plan, setting out the internal audit work expected to be carried out is tabled to the ARMC.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group Internal Audit personnel are free from any relationships of conflict of interest which could impair their objectivity and independence.</p> <p>As at 31 December 2021, the Group Internal Audit Department comprises two (2) internal auditors, led by Encik Wan Muhammad Wan Abdul Rahman. He holds a Professional Certification in Certified Internal Auditor awarded by Institute of Internal Auditors USA. He is also a professional member of the Institute of Internal Auditors Malaysia. He is being assisted by audit staff in executing the approved internal audit plan.</p> <p>The internal audit personnel reports directly to the ARMC on its activities based on the approved annual Internal Audit Plan. During the financial year under review, the Group Internal Audit functions were carried out in accordance with the International Standards for Professional Practice of Internal Auditing.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>Timely release of financial results on a quarterly basis and Annual Reports to Bursa Malaysia Securities Berhad are the key channels used to disseminate information on the Group's business activities and financial performance. The Company's website at www.gscorp.com.my contains information concerning the Group which is updated on a regular basis.</p> <p>The stakeholders are given opportunity to speak and seek clarification during the Company's general meeting for effective communication.</p> <p>Apart from the above, the Annual Report is also one (1) of the main channels of communication between the Company and its stakeholders. The Annual Report, which is prepared in accordance with the requirements of the Main Market Listing Requirements and the Malaysian Code on Corporate Governance, communicates comprehensive information of the financial results and activities undertaken by the Group.</p> <p>The Company dispatches its Annual Report to shareholders within four (4) months after financial year end, which allows shareholders to have timely information about the Company, its operations and performance. All information to shareholders is available electronically as soon as it is announced or published.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Company is not classified as "Large Company". However, the Company would consider adopting the integrated reporting based on a globally recognised framework, when necessary.</p> <p>Corporate information is disseminated via the Company's website and announcements are published on the website of Bursa Malaysia Securities Berhad.</p> <p>At present, the Board is of the view that the Company's Annual Report and its corporate website are comprehensive enough for stakeholders to make informed decisions. The current Annual Report provides stakeholders with a fairly comprehensive overview on the Company's financial and non-financial information including future prospects. Components such as the Management and Discussion Analysis, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control, as well as the Sustainability Statement, form an integral part of the non-financial information.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	The Notice convening the Eighteenth AGM was given to the shareholders at least 28 days before the date of holding the Eighteenth AGM.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied	
Explanation on application of the practice	:	<p>With the health interest of the shareholders in mind amidst the COVID-19 pandemic, the Eighteenth AGM was held via live stream webcast and online remote voting using the remote participation and voting facilities without physical attendance by shareholders and proxies.</p> <p>All Directors, Chairperson of every Board Committees and External Auditors participated the 18th AGM of the Company held on 28 May 2021 either physically at the Broadcast venue or remotely from their respective locations.</p> <p>The Executive Directors responded to the queries from shareholders at the 18th AGM.</p> <p>All the Directors of the Company will endeavour to attend all future General Meetings and the Chairpersons of the ARMC and NRC will provide meaningful responses to questions addressed to them.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders’ participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>The 18th AGM of the Company was conducted on virtual basis vide the online meeting platform hosted on Securities Services e-Portal (“SSeP”) which allows remote shareholders’ participation and voting in absentia.</p> <p>All members, proxies and/or corporate representatives are able to communicate with the main venue of the AGM via real time submission of typed texts through a text box within SSeP’s platform during the live streaming of the 18th AGM as the primary mode of communication.</p> <p>SSeP uses a 2,048-bit encryption and is hosted on AIMS Data Center (“AIMS”). Data security is assured at AIMS’ Tier III-certified facilities. SSeP is constantly protected against virus and malware and is housed behind a network firewall.</p> <p>Any user of SSeP has to a natural person who authenticates his identity with his/her unique identification card or passport is required to set a strong password for their user account with SSeP. SSeP only allows a user to log in at any one time to one device. All live streams of meetings are channelled through a private domain that can only be viewed through an authenticated user login after further verifying the eligibility of the user to a meeting. SSeP is backed up regularly on a daily basis and also undergoes periodic maintenance of its database to ensure the highest system efficiency.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	

Timeframe	:		
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Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	The Chairman of the Board plays an important role during general meetings. The presentation during the 18th AGM was supported with visual aids for easy understanding of the participants. At the 18th AGM, there was a question-and-answer session where any queries made by shareholders were explained by the relevant Board members or Senior Management. The shareholders also had chance to clarify for any questions raised by them.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The 18th AGM was conducted on virtual basis vide the online meeting platform hosted on Securities Services e-Portal which allows remote shareholders' participation and voting in absentia. All members, proxies and/or corporate representatives are able to communicate with the main venue of the AGM via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the 18th AGM as the primary mode of communication.</p> <p>The Board supports the use of information technology for the effective dissemination of information. The Company has established a website at www.gscorp.com.my which has served as a useful reference source of information to the shareholders, investors and other stakeholders.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: Minutes of the 18th AGM was prepared and published on the Company's website at www.gscorp.com.my .
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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